

YWCA OF SAN DIEGO COUNTY

Financial Statements and Supplemental Information

Years Ended June 30, 2008 and 2007

DATE RECEIVED:



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Assigned To: Armstrong

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YWCA OF SAN DIEGO COUNTY
Financial Statements and Supplemental Information
Years Ended June 30, 2008 and 2007

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INDEPENDENT AUDITORS' REPORT

Board of Directors
YWCA of San Diego County
San Diego, California

We have audited the accompanying statements of financial position of YWCA of San Diego County (a nonprofit organization) as of June 30, 2008 and 2007, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of YWCA of San Diego County's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YWCA of San Diego County as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2008, on our consideration of YWCA of San Diego County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal, state and other awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

AKT LLP

Carlsbad, California
December 30, 2008

YWCA OF SAN DIEGO COUNTY
Statements of Financial Position
June 30, 2008 and 2007

	2008	2007
ASSETS		
Cash	\$ 339,818	\$ 1,128,029
Receivables	766,757	724,294
Prepaid expenses	80,046	72,216
Property and equipment, net of accumulated depreciation	6,432,769	5,360,675
Endowment assets	61,483	61,483
Total Assets	<u>\$ 7,680,873</u>	<u>\$ 7,346,697</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 347,124	\$ 308,723
Deferred revenue	75,519	117,216
Lines of credit	94,331	619,823
Notes payable	463,706	116,584
Total Liabilities	980,680	1,162,346
Net Assets:		
Unrestricted:		
Board designated	240,871	770,762
Undesignated	6,392,132	4,549,576
	6,633,003	5,320,338
Temporarily restricted	5,707	802,530
Permanently restricted	61,483	61,483
Total Net Assets	<u>6,700,193</u>	<u>6,184,351</u>
Total Liabilities and Net Assets	<u>\$ 7,680,873</u>	<u>\$ 7,346,697</u>

YWCA OF SAN DIEGO COUNTY
Statement of Activities
Year Ended June 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	2008 Total	2007 Total
Revenue and Support:					
Contract revenue	\$ 2,253,156	\$ -	\$ -	\$ 2,253,156	\$ 2,456,835
Contributions	2,100,923	2,146	-	2,103,069	1,356,101
Contributions - building project	1,077,789	-	-	1,077,789	2,036,004
Special events	867,194	-	-	867,194	400,439
Program service fees	44,424	-	-	44,424	31,502
Resale store	205,264	-	-	205,264	203,057
Residence fees	162,266	-	-	162,266	179,310
United Way	-	-	-	-	54,381
Miscellaneous	294,736	-	-	294,736	79,109
Investment income	13,386	-	-	13,386	49,737
Loss on disposal of property	-	-	-	-	(267,543)
Net assets released from restrictions, satisfaction of program restrictions	798,969	(798,969)	-	-	-
Total Revenue and Support	7,818,107	(796,823)	-	7,021,284	6,578,932
Expenses:					
Program services:					
Residential services	3,428,609	-	-	3,428,609	2,875,273
Other services	709,152	-	-	709,152	650,173
Supporting services:					
Management and general	1,070,791	-	-	1,070,791	845,437
Fundraising	703,772	-	-	703,772	432,110
	5,912,324	-	-	5,912,324	4,802,993
Special events	593,118	-	-	593,118	198,135
Total Expenses	6,505,442	-	-	6,505,442	5,001,128
Change in Net Assets	1,312,665	(796,823)	-	515,842	1,577,804
Net Assets, Beginning	5,320,338	802,530	61,483	6,184,351	4,606,547
Net Assets, Ending	\$ 6,633,003	\$ 5,707	\$ 61,483	\$ 6,700,193	\$ 6,184,351

See accompanying notes to financial statements.

YWCA OF SAN DIEGO COUNTY
Statement of Activities
Year Ended June 30, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	2007 Total
Revenue and Support:				
Contract revenue	\$ 2,456,835	\$ -	\$ -	\$ 2,456,835
Contributions	864,973	491,128	-	1,356,101
Contributions - building project	2,036,004	-	-	2,036,004
Special events	400,439	-	-	400,439
Program service fees	31,502	-	-	31,502
Resale store	203,057	-	-	203,057
Residence fees	179,310	-	-	179,310
United Way	54,381	-	-	54,381
Miscellaneous	79,109	-	-	79,109
Investment income	49,737	-	-	49,737
Loss on disposal of property	(267,543)	-	-	(267,543)
Net assets released from restrictions, satisfaction of program restrictions	294,021	(294,021)	-	-
Total Revenue and Support	6,381,825	197,107	-	6,578,932
Expenses:				
Program services:				
Residential services	2,875,273	-	-	2,875,273
Other services	650,173	-	-	650,173
Supporting services:				
Management and general	845,437	-	-	845,437
Fundraising	432,110	-	-	432,110
	4,802,993	-	-	4,802,993
Special events	198,135	-	-	198,135
Total Expenses	5,001,128	-	-	5,001,128
Change in Net Assets	1,380,697	197,107	-	1,577,804
Net Assets, Beginning	3,939,641	605,423	61,483	4,606,547
Net Assets, Ending	\$ 5,320,338	\$ 802,530	\$ 61,483	\$ 6,184,351

See accompanying notes to financial statements.

YWCA OF SAN DIEGO COUNTY
Statement of Functional Expenses
Year Ended June 30, 2008

	Program Services		
	Residential Services	Other Services	Total
Salaries	\$ 1,443,033	\$ 388,355	\$ 1,831,388
Payroll taxes and workers' compensation insurance	144,401	34,241	178,642
Employee health and retirement benefits	190,254	62,314	252,568
	<u>1,777,688</u>	<u>484,910</u>	<u>2,262,598</u>
In-kind services	504,662	795	505,457
Outside services	271,251	94,694	365,945
Repairs and maintenance	128,815	6,027	134,842
Direct program supplies and food	174,666	11,339	186,005
Utilities	132,851	12,830	145,681
Transportation costs	67,736	19,252	86,988
Supplies	36,981	6,306	43,287
Insurance	50,510	10,965	61,475
Advertising and promotion	7,497	4,078	11,575
Rent	16,821	25,628	42,449
Interest	4,280	-	4,280
Service fees and other	4,333	5,502	9,835
Postage and printing	3,076	4,087	7,163
Telephone	20,613	4,081	24,694
YWCA regional dues	-	-	-
Conferences	5,130	2,027	7,157
	<u>3,206,910</u>	<u>692,521</u>	<u>3,899,431</u>
Depreciation	<u>221,699</u>	<u>16,631</u>	<u>238,330</u>
	<u>\$ 3,428,609</u>	<u>\$ 709,152</u>	<u>\$ 4,137,761</u>

See accompanying notes to financial statements.

Supporting Services			Total	2007 Total
Management and General	Fundraising	Total		
\$ 612,839	\$ 168,507	\$ 781,346	\$ 2,612,734	\$ 2,348,339
51,055	13,653	64,708	243,350	256,444
65,523	15,991	81,514	334,082	308,377
<u>729,417</u>	<u>198,151</u>	<u>927,568</u>	<u>3,190,166</u>	<u>2,913,160</u>
153	306,351	306,504	811,961	138,995
56,241	90,047	146,288	512,233	542,965
87,926	4,232	92,158	227,000	260,471
3,584	1,785	5,369	191,374	155,505
16,275	4,824	21,099	166,780	132,542
13,553	1,112	14,665	101,653	91,077
22,604	10,273	32,877	76,164	56,439
10,294	2,839	13,133	74,608	75,992
3,600	35,475	39,075	50,650	37,587
4,604	125	4,729	47,178	81,449
31,460	-	31,460	35,740	26,574
16,509	9,172	25,681	35,516	27,374
2,929	21,734	24,663	31,826	32,041
3,296	683	3,979	28,673	24,066
21,061	-	21,061	21,061	20,713
5,245	4,443	9,688	16,845	11,406
<u>1,028,751</u>	<u>691,246</u>	<u>1,719,997</u>	<u>5,619,428</u>	<u>4,628,356</u>
<u>42,040</u>	<u>12,526</u>	<u>54,566</u>	<u>292,896</u>	<u>174,637</u>
<u>\$ 1,070,791</u>	<u>\$ 703,772</u>	<u>\$ 1,774,563</u>	<u>\$ 5,912,324</u>	<u>\$ 4,802,993</u>

YWCA OF SAN DIEGO COUNTY
Statement of Functional Expenses
Year Ended June 30, 2007

	Program Services		
	Residential Services	Other Services	Total
Salaries	\$ 1,400,145	\$ 332,203	\$ 1,732,348
Payroll taxes and workers' compensation insurance	159,375	31,606	190,981
Employee health and retirement benefits	194,937	40,984	235,921
	<u>1,754,457</u>	<u>404,793</u>	<u>2,159,250</u>
Outside services	320,324	101,974	422,298
Direct program supplies and food	170,809	4,239	175,048
Utilities	136,254	5,947	142,201
Rent	76,100	1,743	77,843
Transportation costs	95,815	13,847	109,662
In-kind services	57,074	23,730	80,804
Repairs and maintenance	23,635	50,020	73,655
Insurance	51,003	11,735	62,738
Supplies	21,790	4,672	26,462
Telephone	15,984	1,740	17,724
Advertising and promotion	2,390	2,109	4,499
Service fees and other	6,634	5,436	12,070
YWCA regional dues	6,062	-	6,062
Postage and printing	18,002	4,285	22,287
Interest	-	-	-
Conferences	3,092	1,337	4,429
	<u>2,759,425</u>	<u>637,607</u>	<u>3,397,032</u>
Depreciation	115,848	12,566	128,414
	<u>\$ 2,875,273</u>	<u>\$ 650,173</u>	<u>\$ 3,525,446</u>

See accompanying notes to financial statements.

Supporting Services			Total
Management and General	Fundraising	Total	
\$ 402,721	\$ 213,270	\$ 615,991	\$ 2,348,339
47,407	18,056	65,463	256,444
42,426	30,030	72,456	308,377
<u>492,554</u>	<u>261,356</u>	<u>753,910</u>	<u>2,913,160</u>
84,411	36,256	120,667	542,965
81,628	3,795	85,423	260,471
7,364	5,940	13,304	155,505
1,093	60,059	61,152	138,995
18,038	4,842	22,880	132,542
8,096	2,177	10,273	91,077
5,307	2,487	7,794	81,449
9,940	3,314	13,254	75,992
26,183	3,794	29,977	56,439
16,500	3,363	19,863	37,587
3,919	23,623	27,542	32,041
12,724	2,580	15,304	27,374
20,512	-	20,512	26,574
1,097	682	1,779	24,066
20,713	-	20,713	20,713
3,367	3,610	6,977	11,406
<u>813,446</u>	<u>417,878</u>	<u>1,231,324</u>	<u>4,628,356</u>
<u>31,991</u>	<u>14,232</u>	<u>46,223</u>	<u>174,637</u>
<u>\$ 845,437</u>	<u>\$ 432,110</u>	<u>\$ 1,277,547</u>	<u>\$ 4,802,993</u>

YWCA OF SAN DIEGO COUNTY
Statements of Cash Flows
Years Ended June 30, 2008 and 2007

	2008	2007
Cash Flows from Operating Activities:		
Change in net assets	\$ 515,842	\$ 1,577,804
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	292,896	174,637
Loss on disposal of property	-	267,543
Changes in operating assets and liabilities:		
Receivables	(42,463)	(138,148)
Prepaid expenses	(7,830)	(6,925)
Accounts payable and accrued expenses	38,401	(24,527)
Deferred revenue	(41,697)	117,216
Net Cash Provided by Operating Activities	755,149	1,967,600
Cash Flows Used by Investing Activities:		
Purchases of property and equipment	(1,364,990)	(2,137,866)
Cash Flows from Financing Activities:		
Net increase (decrease) in lines of credit	(525,492)	482,536
Payments of notes payable	(15,852)	(15,385)
Proceeds from notes payable	362,974	-
Net Cash Provided (Used) by Financing Activities	(178,370)	467,151
Net Increase (Decrease) in Cash	(788,211)	296,885
Cash, beginning	1,128,029	831,144
Cash, ending	\$ 339,818	\$ 1,128,029
Supplemental Disclosures of Cash Flow Information:		
Interest paid	\$ 35,740	\$ 26,574

YWCA OF SAN DIEGO COUNTY
Notes to Financial Statements
Years Ended June 30, 2008 and 2007

Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Activities

The mission of YWCA of San Diego County (Organization) is to increase safety, promote healing, foster empowerment, and give hope to women and families through innovative programs, services and advocacy. The Organization has provided social services to families in San Diego County since 1908. As the needs of families have changed, the Organization has responded to those changes by offering domestic violence prevention programs, transitional housing for victims of domestic violence and homeless families and women, legal and counseling services, and career counseling.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor restrictions.
- Temporarily restricted net assets consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds.
- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are satisfied within the same reporting period are reported as unrestricted support in that period.

Revenue from grants/contracts is recognized to the extent of eligible costs incurred up to an amount not to exceed the total grant/contract authorized. Deferred revenue results from grant awards received that are applicable to the subsequent period.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Receivables

Receivables consist primarily of grants, contracts, and pledges due in less than one year. Because of the nature of the Organization's revenues and collection history, management believes that no allowance for doubtful accounts is considered necessary at June 30, 2008 and 2007.

YWCA OF SAN DIEGO COUNTY
Notes to Financial Statements
Years Ended June 30, 2008 and 2007

Note 1 – Organization and Summary of Significant Accounting Policies, continued

Property and Equipment

Acquisitions of property and equipment of \$1,500 or more are capitalized. Property and equipment are stated at cost, or if donated, at the approximate fair market value at the date of donation. Expenditures for maintenance and repairs are charged against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets of three to 40 years. Land, buildings and equipment acquired with grant funds are considered to be owned by the Organization while used in the program or in future authorized programs. However, the funding source may have a reversionary interest in the property as well as the right to determine the use of any proceeds from the sale of assets purchased with their respective funds.

Contributed Materials and Services

Contributed materials are recorded at their fair market value where an objective basis is available to measure their value. Such items are capitalized or charged to operations as appropriate. The Organization received a substantial amount of services donated by volunteers in carrying out the Organization's program services. No amounts have been recorded for those services as they do not meet the requirements for recognition as contributions in the financial statements. The fair market value of contributed professional services is reported as support and expense in the period in which the services are performed.

Income Taxes

The Organization is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. This exemption is for all income taxes except for those assessed on unrelated business income, if any. The Organization is not a private foundation.

Advertising Costs

The Organization expenses the costs of advertising as incurred.

Note 2 – Concentration of Credit Risk

The Organization maintains cash balances in bank accounts which, at times, exceed the federal insurable limit. The Organization manages the risk by using only high quality financial institutions.

Note 3 – Receivables

Receivables consist of the following:

	<u>2008</u>		<u>2007</u>
Grants and contracts receivable	\$ 309,524	\$	398,043
Other contracts receivable	420,000		294,458
Pledges	7,470		6,123
Other receivables	<u>29,763</u>		<u>25,670</u>
	<u>\$ 766,757</u>	\$	<u>724,294</u>

YWCA OF SAN DIEGO COUNTY
Notes to Financial Statements
Years Ended June 30, 2008 and 2007

Note 4 – Property and Equipment

Property and equipment consist of the following:

	<u>2008</u>	<u>2007</u>
Buildings and improvements	\$ 9,431,218	\$ 5,211,019
Furniture and equipment	414,783	283,106
Land	151,612	151,612
Construction in progress	84,210	3,105,196
	<u>10,081,823</u>	<u>8,750,933</u>
Less accumulated depreciation	<u>(3,649,054)</u>	<u>(3,390,258)</u>
	<u>\$ 6,432,769</u>	<u>\$ 5,360,675</u>

Note 5 – Lines of Credit

The Organization has a revolving \$750,000 unsecured line of credit which expires in July 2009. The line of credit has an interest rate of the bank's prime rate (5% at June 30, 2008). The outstanding balance was \$94,331 and \$340,915 at June 30, 2008 and 2007, respectively.

The Organization had a non-revolving \$750,000 unsecured line of credit which expired in October 2007. The line of credit had an interest rate of 1.0% above prime. There was no outstanding balance at June 30, 2008 and 2007.

The Organization had a \$500,000 unsecured line of credit that had an interest rate of 0.5% above prime which matured in November 2007. The outstanding balance was \$0 and \$278,908 at June 30, 2008 and 2007, respectively.

Note 6 – Notes Payable

Notes payable consists of the following:

	<u>2008</u>	<u>2007</u>
San Diego Housing Commission, payable in monthly installments of \$1,594, including interest at 3%, collateralized by a second deed of trust, due April 2014.	\$ 100,732	\$ 116,584
San Diego Housing Commission, payable upon the date of the funding of the Federal Home Loan Bank Affordable Housing Program loan, non-interest bearing, collateralized by a deed of trust.	<u>362,974</u>	<u>-</u>
	<u>\$ 463,706</u>	<u>\$ 116,584</u>

YWCA OF SAN DIEGO COUNTY
Notes to Financial Statements
Years Ended June 30, 2008 and 2007

Note 6 – Notes Payable, continued

Future principal payments at June 30, 2008 are due as follows:

<u>Year Ending June 30,</u>	
2009	\$ 379,268
2010	16,790
2011	17,301
2012	17,827
2013	18,369
Thereafter	<u>14,151</u>
	<u>\$ 463,706</u>

Note 7 – Operating Leases

The Organization leased equipment and space to operate a thrift store (My Sister's Closet - Fifth Avenue, San Diego, California) which ceased operations as of August 2008. In addition, the Organization leases space from the City of San Diego to operate Becky's House. Becky's House is a project between the Organization and the City of San Diego in which the Organization agreed to a 15 year lease with two five year renewal options for \$4,000 per year. Rent was \$47,178 and \$81,449 for the years ended June 30, 2008 and 2007, respectively.

Future minimum lease payments under operating leases at June 30, 2008 are due as follows:

<u>Year Ending June 30,</u>	
2009	\$ 25,080
2010	21,372
2011	21,372
2012	14,682
2013	4,329
Thereafter	<u>12,000</u>
	<u>\$ 98,835</u>

Note 8 – Contingencies

Building Loans

From 1992 to 2008, the Organization has received loans from several agencies related to the City of San Diego or funded by the State of California. The principal balance of these loans is \$6,857,646 and \$5,579,861 at June 30, 2008 and 2007, respectively. The funds have been used for the construction and renovation of facilities used to conduct the Organization's programs. No principal or interest payments are due if the Organization continues to use the facilities to conduct its programs and complies with restrictions specified in the loan agreements. The agreements require the Organization to rent a portion of its facilities to persons with low income, place a maximum amount of rent that can be charged, and limit the period of time for occupancy. These loans will be forgiven beginning in 2015 through 2061 as long as the Organization remains in compliance with the agreements. If the use of the facilities is changed or the property is sold, the loans become due on demand with interest rates ranging from 3% to 10%. These loans have been reported as contributions in the statements of activities because management believes the Organization is in compliance with the agreements and will continue to operate the facilities in a manner consistent with its mission and purpose.

YWCA OF SAN DIEGO COUNTY
Notes to Financial Statements
Years Ended June 30, 2008 and 2007

Note 8 – Contingencies, continued

Building Loans, continued

The Organization and Centre City Redevelopment Agency entered into a covenant agreement in May 1994 that imposes certain use restrictions and limitations on the building located at 10th and C Street. The agreement restricts the use of the building to persons with low income, and has rental limitations. The covenant agreement is permanent and is not relieved by repayment of the loans.

Grants and Contracts

The Organization has grants and contracts with government agencies which are subject to audit. No provision has been made for any liabilities that may result from such audits since the amounts, if any, cannot be determined. Management believes that any such liability will not be material.

Note 9 – Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	2008	2007
Youth programs	\$ 3,838	\$ 3,894
Domestic violence services	1,869	415,256
Becky's House II project	-	353,060
Residential services	-	30,320
	<u>\$ 5,707</u>	<u>\$ 802,530</u>

Note 10 – Permanently Restricted Net Assets

Permanently restricted net assets consist of investments in perpetuity, the income from which is expendable to support the following:

	2008	2007
Shelter for homeless women	\$ 50,000	\$ 50,000
Career and leadership development	11,483	11,483
	<u>\$ 61,483</u>	<u>\$ 61,483</u>

YWCA OF SAN DIEGO COUNTY
Notes to Financial Statements
Years Ended June 30, 2008 and 2007

Note 11 – Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows:

	<u>2008</u>	<u>2007</u>
Domestic violence services	\$ 415,256	\$ 284,890
Becky's House II project	353,060	7,328
Residential services	30,320	-
Youth programs	<u>333</u>	<u>1,803</u>
	<u>\$ 798,969</u>	<u>\$ 294,021</u>

Note 12 – Pension Plan

The Organization participates in the YWCA Retirement Fund, under which all eligible employees are covered. Contributions to the plan are 7.5% of the employee's compensation. Pension expense was \$73,911 and \$91,828 for the years ended June 30, 2008 and 2007, respectively.

Note 13 – Related Party Transactions

The following summarizes the related party accounts and transactions reflected in the financial statements:

	<u>2008</u>	<u>2007</u>
Regional support dues expense	\$ <u>21,061</u>	\$ <u>20,713</u>

Note 14 – Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

SUPPLEMENTAL INFORMATION

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
YWCA of San Diego County
San Diego, California

We have audited the financial statements of YWCA of San Diego County as of and for the years ended June 30, 2008 and 2007, and have issued our report thereon dated December 30, 2008. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered YWCA of San Diego County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of YWCA of San Diego County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether YWCA of San Diego County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

(continued)

This report is intended solely for the information and use of the audit committee, board of directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

AKT LLP

Carlsbad, California
December 30, 2008

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
YWCA of San Diego County
San Diego, California

Compliance

We have audited the compliance of YWCA of San Diego County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. YWCA of San Diego County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of YWCA of San Diego County's management. Our responsibility is to express an opinion on YWCA of San Diego County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about YWCA of San Diego County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of YWCA of San Diego County's compliance with those requirements.

In our opinion, YWCA of San Diego County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of YWCA of San Diego County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered YWCA of San Diego County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

(continued)

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, board of directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

AKT LLP

Carlsbad, California
December 30, 2008

YWCA OF SAN DIEGO COUNTY
Schedule of Expenditures of Federal, State and Other Awards
Year Ended June 30, 2008

Federal/Pass-Through Grantor and Program Title	Federal CFDA Number	Agency or Pass-Through Grantor No.	Expenditures
FEDERAL			
<u>U.S. Department of Housing and Urban Development</u>			
Transitional Living Consortium			
Supportive Housing Program	14.235	n/a	\$ 488,785
Pass-through Episcopal Community Services			
Women's and Children Program	14.235	n/a	155,540
Pass-through City of San Diego			
Emergency Shelter Grant Cortez Hill Family Center	14.231	C-14392	467,080
Pass-through City of San Diego			
Community Development Block Grant	14.218	C-14227	15,000
			<u>1,126,405</u>
<u>U.S. Department of Justice</u>			
Office on Violence Against Women - Legal Services	16.524	n/a	236,692
Outreach, Advocacy and Housing for Immigrant Women	16.526	n/a	64,055
Domestic Violence Assistance Program	16.588	n/a	5,195
Victims of Crime Services (VOCA)	16.575	n/a	107,685
			<u>413,627</u>
<u>U.S. Department of Agriculture</u>			
Child and Adult Care Food Program	10.558	37-3009-OH	21,164
<u>U.S. Department of Health and Human Services</u>			
Family Violence Prevention and Services (FVPSA)	93.671	n/a	55,073
<u>Federal Emergency Management Agency</u>			
Emergency Food & Shelter National Board Program	83.523	n/a	9,112
			<u>9,112</u>
Total expenditures of federal awards			<u>1,625,381</u>
STATE			
<u>California Department of Emergency Services</u>			
Domestic Violence Assistance Program		DV07141491	32,117
<u>Department of Health and Human Services</u>			
Maternal & Child Health		05-45099	221,329
<u>California Department of Housing & Community Development</u>			
Emergency Housing Assistance Program		05-EHAP-2087	37,700
			<u>37,700</u>
Total expenditures of state awards			<u>291,146</u>
OTHER			
San Diego Housing Commission -Transitional Housing-			
Passages		n/a	79,540
San Diego Housing Commission - Becky's House		n/a	42,936
City of San Diego - Transitional Housing - Cortez Hill		C-14392	167,920
Certified Family Law Specialists - Legal Services		n/a	3,100
California Wellness Foundation grant - Adolescent Therapy		n/a	43,133
			<u>43,133</u>
Total expenditures of other awards			<u>336,629</u>
Total expenditures of federal, state and other awards			\$ <u>2,253,156</u>

See independent auditors' report and note to schedule of expenditures of federal, state and other awards. 19

YWCA OF SAN DIEGO COUNTY

Note to Schedule of Expenditures of Federal, State and Other Awards
Year Ended June 30, 2008

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal, state and other awards includes the grant activity of YWCA of San Diego County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

YWCA OF SAN DIEGO COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2008

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified
Internal control over financial reporting:
 Significant deficiency(ies) identified? ☐ yes ☒ no
 Material weakness(es) identified? ☐ yes ☒ no
Noncompliance material to the financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major program:
 Significant deficiency(ies) identified? ☐ yes ☒ no
 Material weakness(es) identified? ☐ yes ☒ no

Type of auditors' report issued on compliance
for major programs Unqualified

Any audit findings disclosed that are required
to be reported in accordance with OMB
Circular A-133, Section 510(a)? ☐ yes ☒ no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.235	Supportive Housing Program
14.235	Women's and Children Program

Dollar threshold used to distinguish
between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee
under OMB Circular A-133, Section 530? ☒ yes ☐ no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings

None



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www.ywcasandiego.org



January 26, 2009

Governor's Office of Emergency Services
Audits Unit
3650 Schriever Avenue
Mather, CA 95655

RE: OES Contract No. DV07141491

To Whom It May Concern,

A copy of the independent financial audit report for the YWCA of San Diego County for the fiscal year ended June 30, 2008 is submitted herewith as required by the terms of the contract referenced above.

Any questions or need for additional information can be directed to me by calling 619 239-0355 x209, or by e-mail at gary@ywcasandiego.org.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Gary D. Lynn'. The signature is fluid and cursive, written over a horizontal line.

Gary D. Lynn
Director of Finance

Encl: 1 copy of FY 2007-2008 Audit Report

Serving the Community Since 1908

☒ File ☐ Follow-up Letter & File
☐ Suspense

Audit Report Review Form

☒ Closed 2/24/09 Control # 04442

Subrecipient Name: <u>YMCA OF SAN DIEGO</u>		Fiscal Year Ended: <u>6/30/08</u>	
Grant Name: <u>DOMESTIC VIOLENCE Asst Program</u>		Grant # <u>DV07141491</u>	
Date Received by OES: <u>1/28/09</u>	Rec'd w/i 9 months? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Review Date: <u>2/24/09</u>	Review Performed By: Roni Armstrong

SCO TRANSMITTAL LETTER

Did SCO identify any cross-cutting findings? <input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
Did SCO refer any program-specific findings to OES? <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> SCO Letter Not Received

AUDIT THRESHOLD

Total OES-related award amount reported in audit <input type="checkbox"/> <\$25K <input checked="" type="checkbox"/> \$25-\$500K <input type="checkbox"/> >\$500K	Type of audit report required <input type="checkbox"/> FS <input checked="" type="checkbox"/> Single Audit <input type="checkbox"/> Grant-Specific
Federal award total reported in audit <input type="checkbox"/> <\$500 <input checked="" type="checkbox"/> =>\$500K <input type="checkbox"/> Not shown	Type of report received: <input type="checkbox"/> FS <input checked="" type="checkbox"/> SAR <input type="checkbox"/> Grant-Specific Type of audit report appropriate? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

AUDIT QUALIFIERS – REQUIRED ITEMS

SINGLE AUDIT REPORTS	GRANT-SPECIFIC REPORTS / FINANCIAL STATEMENTS
Auditor's Report: <input type="checkbox"/> No report <i>"...presents fairly the financial position... in conformity with generally accepted accounting principles"</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Report makes reference to separate reports on compliance & internal controls <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Auditor's Report: <input type="checkbox"/> No report Report describes scope of testing, e.g., "We have audited the..." <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not included <i>"...audit conducted ... in conformity with generally accepted accounting principles"</i> <input type="checkbox"/> Yes <input type="checkbox"/> No
Financial Statement: Report on internal control describes scope of testing, e.g., "We have audited the..." <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not included Report includes a statement that report complies with: <input type="checkbox"/> GAS <input type="checkbox"/> GAGAS <input checked="" type="checkbox"/> GAS or GAGAS and GAAS <input type="checkbox"/> No Statement (for public accountants)	Report includes language: " <i>schedule [financial statement/grant statement] presents fairly...the status of funds & related expenditures [financial operations] of the [selected grants].</i> " <input type="checkbox"/> Yes <input type="checkbox"/> No Report makes reference to separate reports on compliance & internal controls <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No letter
Major Programs: Report includes an opinion (or disclaimer) that report complies with laws, regulations & provisions of contracts or grant agreements <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Report includes language: " <i>schedule of expenditures of federal awards is presented fairly... in relation to the financial statement taken as a whole.</i> " <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Report on Compliance & Internal Controls: Report on internal control describes scope of testing, e.g., "We have audited the..." <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not included Report includes a statement that report complies with: <input type="checkbox"/> GAS <input type="checkbox"/> GAGAS <input type="checkbox"/> GAS or GAGAS and GAAS <input type="checkbox"/> No Statement (for public accountants) Report includes an opinion (or disclaimer) that report complies with: Laws, regulations & provisions of contracts or grant agreements <input type="checkbox"/> Yes <input type="checkbox"/> No OES audit program & handbook <input type="checkbox"/> Yes <input type="checkbox"/> No
Report contains: Schedule of expenditures of federal awards by agency and pass-through entity <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Identifying CFDA # <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Statement that audit was conducted in accordance with OMB circular A-133 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Notes describing significant accounting policies (review contents) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Prior year findings with status <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Report contains: Grant number (grant-specific) <input type="checkbox"/> Yes <input type="checkbox"/> No Audit period <input type="checkbox"/> Yes <input type="checkbox"/> No Notes describing significant accounting policies (review contents) <input type="checkbox"/> Yes <input type="checkbox"/> No Prior year findings with status <input type="checkbox"/> Yes <input type="checkbox"/> No